

Dated: November 2, 2011

Signed: _____

Joseph I. Lieberman, U.S.S

LIVE

Statement of Senator Joseph I. Lieberman on the 21st Century Postal Service Act

Mr. LIEBERMAN. Mr. President, today Senators Collins, Carper, (Scott) Brown, and I are introducing bipartisan, compromise legislation to rescue the United States Postal Service (USPS) from financial ruin and secure its commercial health into the future.

Five years ago, Senators Collins and Carper led Congress in the adoption of postal reform legislation. The speed of the migration to internet communications, combined with the recent economic downturn, means we need to revisit the Postal Service's financial viability again. This year, Senator Brown and I joined Senators Collins and Carper in proposing the 21st Century Postal Service Act.

The Postal Service needs a fundamental restructuring of the way it meets its obligations to the public, to its customers - including individual and business mailers - and to its employees. If our reform legislation is adopted, we are confident this time USPS – which was founded in the 18th century - will survive and flourish into the 21st.

Too many people still rely on the Postal Service for us to sit back and allow its demise. Despite a 22 percent drop in mail volume in four years, the Postal Service will deliver 167 billion pieces this year. It is the second largest private sector employer in our country after WalMart and has 557,000 career employees. It has 32-thousand post offices, which represents more domestic retail outlets than Wal-Mart, Starbucks and McDonalds combined.

The financial health of the USPS has been deteriorating for years. But the rapid changeover to electronic communications and the recent economic downturn have swept it up into a financial death spiral. In this Fiscal Year, 2011, the Postal Service first projected a total loss of \$8 billion. That was in July. By September, it revised its estimate and now says it will lose \$10 billion. Unless major reform is adopted, the Postal Service will run out of money to deliver the mail sometime next summer.

That is why we are introducing this comprehensive legislation to put a number of cost saving measures in place. Let me summarize just a few of the most important provisions.

Of great interest to the American public will be our provision related to five-day delivery. As you all know, the Postal Service has been pushing to reduce the number of days it delivers mail each week from six to five. USPS believes this will achieve \$3 billion in savings.

Communities across the country, however, are deeply concerned about what this would mean for people who rely on Saturday delivery for critical medications or newspapers.

We are mindful of these concerns, so our legislation would bar the Postal Service from moving to five-day delivery until two years after enactment of our bill and, in the meantime, reduce costs in other ways. The Government Accountability Office (GAO) would have to verify that sufficient savings cannot be achieved without going to five-day delivery. USPS also would have to identify customers and communities that might be disproportionately affected by five-day delivery and develop remedies to address their concerns.

Our bill also recognizes that the Postal Service must continue to decrease the number of its employees. Thus, we authorize USPS to offer buyouts to help it transition to a smaller workforce. To ensure the Postal Service can pay for these buyouts, we direct the Office of Personnel Management (OPM) to refund to the Postal Service what everyone agrees has been an overpayment by USPS into the Federal Employees Retirement System. Using this money to support buyouts, the Postmaster General believes he may be able to reduce the Postal Service workforce by as many as 100,000 employees over the next three years and save \$8 billion a year.

To achieve healthcare savings, we would allow the Postal Service to work with its employee unions and the Office of Personnel Management to try to develop and agree on a new health plan for postal employees. The Postmaster General is confident that he and the postal unions can agree on an approach that could cut healthcare costs significantly, while retaining adequate benefits.

Finally, our bill would help USPS get out from under the onerous weight of its current pre-funding requirements for its retiree health benefits by recalibrating the payments and amortizing them over time. This, too, will provide significant financial relief to the Postal Service.

We know many of our proposals will be controversial. But without taking controversial steps, the Postal Service will not make it. We are pursuing broad changes rather than working around the edges to put the Postal Service back on the road to recovery. The Postmaster General has told us he needs to cut \$20 billion from the USPS' annual budget, and we are giving him and his employees the tools to make that happen. The bottom line is we must act quickly to prevent a Postal Service collapse and we must act boldly to secure its future.

The U.S. Postal Service is not an 18th Century relic. It is a great 21st Century national asset. But times are changing rapidly and so too must the Postal Service, if it is to survive.

Mr. President, I ask unanimous consent that the full text of the bill be reprinted into the record.